REMARKS

The Applicants do not believe that examination of the foregoing amendment will result in the introduction of new matter into the present application for invention.

Therefore, the Applicants, respectfully, request that the above amendment be entered in and that the claims to the present application, kindly, be reconsidered.

The Office Action dated May 20, 2004 has been received and considered by the Applicants. Claims 1-4 and 10-24 are pending in the present application for invention. Claims 1-4 and 10-24 stand rejected and Claim 20 is objected to by the May 20, 2004 Office Action. The foregoing amendment to the claims adds new Claims 25-29.

The specification, page 2, line 4, and page 4, lines 6-7 have been objected to because of informalities. The foregoing amendment to the specification has corrected these oversights.

The Office Action rejects Claims 3 and 13 under the provisions of 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The Examiner states that Claims 3 and 13 contain recitations that lack sufficient antecedent basis. The foregoing amendment to the claims has corrected these oversights.

The Office Action rejects Claims 10-13 under the provisions of 35 U.S.C. §101 because Claims 10 and 12 are drawn to signals per se, not embodied on a computer-readable medium nor on an electromagnetic wave.

The Applicant, respectfully points out that the claims in each instance recite a useful, concrete and tangible result. For instance, Claim 10 defines subject matter for a method of encoding data, comprising the embedding of supplemental data by inserting the supplemental data into the data using at least one parameter which is altered during in order to embed of the supplemental data and deriving the supplemental data from other data. In a similar manner Claim 12 defines subject matter for encoding input data, comprising the steps of partitioning the data into frames, determining a set of parameters for each frame, reducing the data rate of the input signal by applying an algorithm which is controlled by the parameter set whereby encoded data includes the set of parameters or at least data which can be used to derive the parameter set and the data rate-reduced signal and embedding supplemental data into encoded data, the parameter set is affected by the supplemental data.

The Examiner further states that Claims 10-13 are drawn to encoded data which is nonfunctional descriptive material, not a process, machine, manufacture, nor composition of matter. As discussed above, Claims 10-13 define in each instance a useful, concrete and tangible result that is clearly functional. The Applicant respectfully asserts that Claims 10-13 define subject matter for an information carrier including a computer-readable medium having a program stored therein. These claims are directed to a computer-readable medium having a program stored therein. Accordingly, the Applicants, respectfully, assert that the rejection of Claims 10-13 under 35 U.S.C. §101 should be rescinded.

The Office Action rejects Claims 1-4 and 10-24 under the provisions of 35 U.S.C. §102(b) as being anticipated by PCT International Application Number PCT/IB96/00992 issued to Linnartz (hereinafter referred to as <u>Linnartz</u>).

Regarding Claim 3, the Examiner states that <u>Linnartz</u> discloses a method of encoding input data including partitioning the data into frames and the determining of a set of parameters for each frame.

The Examiner further states that <u>Linnartz</u> discloses reducing the data rate of the input signal by applying an algorithm which is controlled by the parameter set whereby the encoded data includes the set of parameters or at least data which can be used to derive the parameter set and the data-rate-reduced signal. The Applicants, respectfully, disagree. There is no disclosure or suggestion within <u>Linnartz</u> for reducing the data rate. Moreover, there is no teaching or suggestion within <u>Linnartz</u> for using encoded data to derive the parameter set and the data-rate-reduced signal. <u>Linnartz</u> discloses assigning a predetermined value to a coding parameter that in turn requires a plurality of further parameters to be modified to correctly perform decoding; which is not equivalent to the subject matter of reducing the data rate or using encoded data to derive the parameter set and the data-rate-reduced signal as defined by rejected Claim 3.

The Examiner states that <u>Linnartz</u> discloses embedding supplemental data into the encoded signal, the parameter set is affected by the supplemental data on page 3, lines 11-20 and page 4, lines 10-13. The Applicant, respectfully, points out that page 3, lines 11-20 and <u>Linnartz</u> discloses that a watermarked video signal can be created by forcing the number of slices in the video signal to be integer multiples of 3 and 7 in alternate

frames. As stated by Linnartz on page 2, lines 9-13, the coding parameter is the number of slices. Therefore, the parameter set (number of slices) as taught by Linnartz determines the supplemental data (the watermark created); which is not equivalent to the parameter set (the number of slices as taught by Linnartz) being affected by the supplemental data (the watermark). In fact, the methodology as taught by Linnartz would make it impossible for the number of slice to be affected by the after created watermark because the number of slices within Linnartz determines the watermark. The present invention, contrary to the teachings of Linnartz, teaches altering the parameters in response to the supplemental data that is being embedded (see Abstract). Therefore, the subject matter defined by rejected Claim 3 is in fact quite the opposite to the teachings of Linnartz. The Applicants respectfully point out that discussion cited by the Examiner on page 4, lines 10-13 of Linnartz is not germane to the element to which it is applied. Accordingly, the rejection to Claim 3 is, respectfully, traversed.

Regarding Claim 4, the Examiner states that <u>Linnartz</u> discloses on page 3, a method of extracting data that has been encoded as recited by Claim 3. Initially, as previously discussed, <u>Linnartz</u> does not disclose or suggest the method of encoding as defined by Claim 3. Furthermore, rejected Claim 4 defines subject matter for extracting information embedded in the parameter set of an encoded signal. The Examiner cites page 3, line 21- page 4, line 14 of <u>Linnartz</u>; which discusses a decoder methodology wherein a counter is arranged to function as a mod counter to determine the number of slices in each frame in order to determine if a watermark is contained within the signal. Thus, <u>Linnartz</u> teaches the extraction of the parameter set from the encoded signal rather than extracting information from the parameter set as defined by rejected Claim 4. Accordingly, the rejection to Claim 4 is, respectfully, traversed.

The Examiner making the rejection with regard to Claim 1, states that <u>Linnartz</u> discloses a method of encoding input data as outlined above in the Claim 3 rejection under the provisions of 35 U.S.C. §102(b). Initially, the Applicant would like to point out that as previously discussed <u>Linnartz</u> does not disclose or suggest the method of encoding as defined by Claim 3. Furthermore, rejected Claim 1 recites deriving supplemental data. The Examiner states that page 4, lines 28-29 of <u>Linnartz</u> teaches using specific values that exist within the Quantization matrix. The Applicant,

respectfully, asserts that using specific data is not the equivalent to deriving the supplemental data as recited by rejected Claim 1. However, in an effort to move this case towards allowance, Clam 1 has been amended to clearly distinguish the subject matter defined by amended Claim 1 from the teachings of <u>Linnartz</u>. Amended Claim 1 recites that at least one parameter is altered in order to embed of the supplemental data; which is subject matter that is not disclosed or suggested by the cited prior art. Accordingly, Claim 1 is believed to define subject matter that is clearly allowable over be allowable over <u>Linnartz</u>.

The remaining claims depend from and further narrow and define Claim 1 and 3. Therefore, the remaining claims are also believed to be allowable.

The foregoing amendment to the claims adds new Claim 25-29 that define subject matter taught within pages 3-12 of the specification to the present invention. Therefore, Examination of new Claims 25-29 will not result in the introduction of new matter into the present application for invention.

Claim 25 defines subject matter for the lossless encoding of the supplemental data which is not disclosed or suggested by the cited reference <u>Linnartz</u>, therefore, Claim 25 is believed to be allowable.

Claim 26 defines subject matter for bit by bit encoding of the supplemental data which is not disclosed or suggested by the cited reference <u>Linnartz</u>, therefore, Claim 26 is believed to be allowable.

Claim 27 defines subject matter for before embedding supplemental data, partitioning of the data into frames and determining a set of parameters for each frame is performed, wherein the set of parameters can be altered to embed the supplemental data; which is not disclosed or suggested by the cited reference <u>Linnartz</u>, therefore, Claim 27 is believed to be allowable.

Claim 28 defines subject matter for the encoded data being used to derive the set of parameters; which is not disclosed or suggested by the cited reference <u>Linnartz</u>, therefore, Claim 28 is believed to be allowable.

Claim defines subject matter for the parameters being altered to dedicated values in response to the supplemental data to be embedded; which is not disclosed or suggested by the cited reference <u>Linnartz</u>, therefore, Claim 29 is believed to be allowable.

Applicant is not aware of any additional patents, publications, or other information not previously submitted to the Patent and Trademark Office which would be required under 37 C.F.R. 1.99.

In view of the foregoing amendment and remarks, the Applicant believes that the present application is in condition for allowance, with such allowance being, respectfully, requested.

Respectfully submitted,

James D. Leimbach

Patent Attorney Reg. No. 34,374

Please address all correspondence for this application to: Michael E. Belk, Senior Intellectual Property Counsel Philips Intellectual Property & Standards Philips Electronics N.A. Corp. P.O. Box 3001 Briarcliff Manor, NY 10510-8001 USA (914) 333-9643,

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited this date with the United States Rostal Service as first-class mail in an envelope addressed to: Mail Stop: Amendment, COMMISSIONER FOR PATENTS, P.O. Box 1450, Alexandria, VA 22313-1450

on: October 20, 2004

(Mailing Date)

(Signature)

By:

James D. Leimbach